



**SUPPLY CHAIN MANAGEMENT
COMMODITY BASED PROCUREMENT POLICY**

2016/2017 FINANCIAL YEAR

NO.	<u>INDEX</u>	PAGE NO.
1	BACKGROUND	3
2	DEPARTMENT OF TRADE AND INDUSTRY AND NATIONAL TREASURY'S SECTORS IDENTIFIED FOR LOCAL PROCUREMENT	3
3	OBJECTIVE	3
4	MIDVAAL LOCAL MUNICIPALITY SECTORS	3 - 4
5	COMMENCEMENT OF POLICY	4

COMMODITY BASED PROCUREMENT POLICY FOR THE MIDVAAL LOCAL MUNICIPALITY

1. BACKGROUND

Gauteng Provincial Government promotes targeted procurement in respect of designated commodities. The Midvaal Local Municipality is in favour of promoting commodity based procurement of goods and services from local manufacturer's and/or suppliers. The provincial designated commodities index list, as amended by GPG from time to time as well as additional commodities specific to Midvaal is used as the basis of procurement where practically implementable.

2. SECTORS IDENTIFIED FOR LOCAL PROCUREMENT

National Treasury, in collaboration with the Department of Trade and Industry, has identified various sectors and issued Circular 69 that prescribes the invitation and evaluation of bids based on the stipulated minimum threshold for local production and content of these goods and services.

National Treasury issues circulars with effect to the various sectors as they are identified and finalised.

3. OBJECTIVE

It is the objective of the Municipality to promote local procurement to enhance job creation and sustainability.

In order to give effect to this initiative, MLM will endeavour to procure goods and or services from locally situated vendors, either within Midvaal's direct geographic area or within the District area.

4. MIDVAAL LOCAL MUNICIPALITY SECTORS

Over and above the sectors identified by National Treasury, Midvaal Local Municipality has identified the following commodities to be locally procured (where possible) subject to the provisions of the applicable legislation, as set out in the table below:

LOCAL PRODUCTION AND CONTENT: INDUSTRY/ SECTOR/ SUB-SECTOR	MINIMUM THRESHOLD FOR LOCAL CONTENT
Public transport	100% Midvaal area
Rental of tents and chairs	100% Midvaal area
General Cleaning services (carpets, windows, etc.)	100% Midvaal area
Cleaning of roads and intersections	100% Midvaal area
Security services	100% Midvaal area
Laundry services	100% Midvaal area
Catering services	100% Midvaal area
Pest Control/weed killing services	100% Sedibeng district
Flowerbed maintenance/Grass Cutting/ Tree Felling	100% Midvaal area
Pauper Burials	100% Sedibeng district
Car Wash	100% Midvaal area

LOCAL PRODUCTION AND CONTENT: INDUSTRY/ SECTOR/ SUB-SECTOR	MINIMUM THRESHOLD FOR LOCAL CONTENT
Minor vehicle repair services	100% Sedibeng district
General hardware	100% Sedibeng district
Minor electrical repairs	100% Midvaal area
Minor plumbing repairs	100% Midvaal area
Groceries	100% Sedibeng district
General Building construction related works	All unskilled workers must be locals and any project worth more than R500 000 must do EPWP reporting subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
General Building works, repairs and maintenance to buildings, fences and sites	25% must be sub-contracted to local sub-contractors (where practically implementable) to promote local enterprise development of Midvaal SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
General Building and Civil works: CIDB registered GB1/CE1 and GB2/CE2 companies	General Building and Civil work projects up to the value of R650 000 vat inclusive, to be allocated to local MLM companies (where possible), to promote local enterprise development of Midvaal SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
Civil Works (gravel to tar, paving, etc.)	25% of total contract value to be sub-contracted to MLM locally/Township situated CIDB registered businesses (where practically implementable) to promote township and local enterprise development of Midvaal SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.

5. COMMENCEMENT

This Policy takes effect on 1 July 2016.